

Approval, Ineligibility, and Appeals

Executive Summary

SECTION 6-1

This chapter describes the completion of processing for M2M debt restructuring transactions.

First, for approvable transactions, the PAE completes the proposed Restructuring Plan and submits the Restructuring Plan package to the OMHAR Regional Office for review and approval. The OMHAR Regional Office reviews and approves the Plan, (issues a Section 223(a)(7) Firm Commitment, if applicable), and executes the Restructuring Commitment. The PAE presents the approved Restructuring Plan to the owner and diligently pursues owner execution of the Restructuring Commitment. This presentation and discussion with the owner, leading to execution of the Restructuring Commitment, is the fundamental task of the M2M program. (Success is greatly increased if the PAE carefully negotiates the terms with the owner prior to submission to OMHAR.)

Second, this chapter addresses the identification and completion of transactions where the owner will not execute the Restructuring Commitment, where the owner or property is found ineligible, or where the transaction will otherwise not proceed.

In each case, this chapter addresses appeals of the conclusions reached and requirements for notification to stakeholders of those conclusions.

Owner Involvement in the Development of the Restructuring Plan

SECTION 6-2

- A. **General Guidance.** In general, OMHAR expects that PAEs will contact owners early in the restructuring process and will engage in an ongoing dialogue regarding the property and its debt restructuring. The PAE will send at least the following information to the project owner (and, if applicable, purchaser) during the restructuring process:

1. A copy of the PAE's appraisal, not later than 30 days after the PAE receives the final appraisal report.
 2. A copy of the PAE's PCA, not later than 30 days after the PAE receives the final PCA report.
- B. **Draft Restructuring Plan.** At the time the PAE presents the draft Restructuring Plan (or a term sheet for discussion that would form the basis of the Restructuring Plan) to the owner, the PAE will also provide additional information that is reasonably sufficient to allow the owner to understand the basis for the PAE's conclusions. Such information will include, at a minimum:
1. The PAE's analysis supporting its market rent conclusions.
 2. The PAE's analysis supporting its conclusions on physical condition, reserve needs, any critical repairs and/or any repair/rehabilitation escrow.
 3. Appropriate pages from the optional underwriting model, or equivalent, showing the PAE's recommended restructuring.
- C. **OMHAR Review of Terms.** Any Restructuring Plan is subject to final review by OMHAR. Prior to presentation of a draft plan or term sheet to the owner, the PAE may, as it considers appropriate, have obtained OMHAR review of all or a portion of the terms being presented to the owner. If not reviewed by OMHAR, the PAE must be especially diligent in assuring that the owner is aware that the Plan has not yet been reviewed by OMHAR.
- D. **Meeting with the Owner.** If the owner requests a face-to-face meeting to discuss the PAE's conclusions, OMHAR strongly encourages the PAE to agree to hold such a meeting at a location acceptable to the PAE.
- E. **Owner Input to the Draft Restructuring Plan.** The PAE should consider any specific additional information that the owner submits and may find it appropriate to make adjustments in the draft of the Restructuring Plan. Where a viable Restructuring Plan is possible, the PAE should promptly complete the draft Restructuring Plan (and present it at a second tenant meeting), even where all owner concerns cannot be accommodated.
- F. **Tracking Owner Review Time.** The PAE should assure that the owner has adequate time to review the material supplied by the PAE (generally, no more than 30 calendar days). However, the PAE must work closely with the owner and assure that if the owner does not reply in a timely manner, that the completion of a viable plan, or a recommendation of ineligibility, proceeds promptly thereafter.

Possible Transaction Outcomes

SECTION 6-3

- A. **PAE's Alternatives.** When the PAE completes its analysis of the asset, it may:
1. Recommend a Restructuring Plan. See Section 6-4.
 2. Recommend that the Asset be Found Ineligible. Grounds for mandatory and optional determinations of ineligibility are discussed in Section 6-6.
 3. Recommend that Development of a Restructuring Plan be Discontinued. This recommendation is appropriate only where the PAE determines that no acceptable Restructuring Plan will move forward. See Section 6-7.
- B. **Problem Transactions.** As noted in paragraph A of this section, certain transactions, including ones where a Restructuring Plan is approved but the Commitment is not executed by the owner, present special difficulties. OMHAR expects PAEs to be creative in addressing any case that may not proceed, including by providing advice and guidance to the owner in finding a purchaser or other resources. PAE's should consider the options and issues in Section 6-8, Meeting the Goals of M2M in Problem Situations, in addressing such transactions.

PAE Recommends a Restructuring Plan to OMHAR

SECTION 6-4

- A. **OMHAR Review and Approval.** OMHAR will review each Restructuring Plan Package submitted and approve a proposed Restructuring Plan that:
1. Provides a reasonable basis for restructuring the rents and debt within the resources available to the M2M program.
 2. Provides for the long term physical, financial and managerial integrity of the property.
 3. Is internally consistent and adequately documented.
 4. Reasonably conforms to applicable OMHAR guidance.
- B. **OMHAR Identification of Issues.** If there are any issues that preclude OMHAR from approving the proposed Restructuring Plan, OMHAR will endeavor to resolve these issues with the PAE as promptly as possible. OMHAR's approval of the proposed Restructuring Plan may be

conditioned upon the PAE making specified modifications to the proposed Plan. In these cases, the PAE will make any necessary modifications and the transaction will proceed through the remaining approval steps below.

- C. **Review and Approval of Environmental Evaluation.** The OMHAR Regional Office will complete the environmental evaluation, based on the Form 4.4 submitted with the PCA, and will sign the HUD Form 4128. This sign-off is required prior to execution of the Restructuring Commitment.
- D. **Review by OMHAR Loan Committee.** OMHAR will complete any Loan Committee Review in as timely a manner as possible, typically within 2 weeks. Where appropriate to address specific issues, any such review may be completed earlier in the process so long as changes after Committee action are minimal or are addressed by the Committee.
- E. **Notification of Conversion to Tenant-based Assistance.** If an approvable Plan includes a recommendation for conversion to tenant-based Section 8 assistance, the OMHAR Regional Office should, before final approval, alert the appropriate HUD Multifamily Hub or Program Center, Public Housing Office, and Public Housing Authority of the pending request.
- F. **OMHAR Review of the Restructuring Commitment.** The OMHAR Regional Office will review the PAE's proposed Restructuring Commitment to confirm that it reflects the terms and conditions of the Restructuring Plan package, including the terms of the new Section 8 project-based HAP contract, as applicable.
- G. **Issuance of Firm Commitment, if 223(a)(7).** Where the restructuring contemplates use of 223(a)(7) financing, OMHAR will follow the procedures in Appendix N and issue the appropriate Firm Commitment.
- H. **OMHAR Execution of the Restructuring Commitment.** After approval of Restructuring Plan package (and issuance of a Firm Commitment for Section 223(a)(7) mortgage insurance, if applicable), the Regional Office Director will sign the approved Restructuring Commitment, and return the executed Commitment to the PAE. (Form 6.1)
- I. **PAE Presents Approved Plan and Commitment to the Owner.** Approval of the Restructuring Plan is the *first* step in *completing* the M2M process. Owner execution of the Commitment and prompt pursuit of closing are central to the success of the program.

Promptly after receipt of the approved Restructuring Plan and the executed Commitment, the PAE should use Form 6.2 to provide the Plan

and Commitment to the Owner for execution and to explain the appeal procedures (see Section 6-9). The PAE may also wish to use a teleconference or meeting to explain the Plan and answer any questions the owner may have developed since the last discussion. In any case, the PAE should work very closely with the owner through this process to assure that the transaction proceeds promptly to Commitment execution and closing, or to the less desirable resolution of reduced rents without the needed restructuring.

J. Owner Acceptance. If the owner accepts the Restructuring Commitment (either without appeal, or after resolution of any appeal), the PAE will

1. Initiate preparations for closing. (See Chapter 7).
2. Notify Stakeholders in accordance with Section 6-12 below.
3. Advise the owner to complete the following tasks within 30 days. (Failure to complete these tasks in a timely manner may constitute failure to cooperate with the restructuring process as discussed in Section 6-6.)
 - a) Execute the Restructuring Commitment, and transmit the executed Restructuring Commitment to the PAE, and
 - b) For §223(a)(7) take-out financing, execute the FHA Firm Commitment, confirm to the PAE the new first mortgagee's acceptance and execution of the FHA Firm Commitment, and forward to the PAE the executed FHA Firm Commitment, or
 - c) For other first mortgage financing, provide evidence of the availability and terms of the financing to the PAE.

K. Owner Refusal to Execute a Restructuring Commitment. If the owner refuses to execute the Restructuring Commitment (reflecting the original Plan or a Plan revised after appeal), and the time for appeal (and administrative review) has passed or any appeal (and administrative review) has been concluded, the PAE will inform OMHAR and the HUD Hub/Program Center and then provide the owner with a Section 8 Contract for "potentially troubled" projects prepared by OMHAR. The PAE should use Form 6.9 to transmit the Section 8 Contract to the owner. The PAE will then follow the procedures in Section 6-10.

OMHAR Rejects the PAE's Recommended Restructuring Plan

SECTION 6-5

- A. **OMHAR Consideration of Rejection of Restructuring Plan.** Where OMHAR contemplates rejection of a Restructuring Plan, it will discuss the issue with the PAE, the appropriate Hub or Program Center, the applicable Property Disposition Office, if appropriate, and may discuss the recommendation with any other stakeholders determined appropriate.
- B. **Loan Committee Review.** The final recommendation must be reviewed and approved by the OMHAR Regional Office Loan Committee (or a higher level Loan Committee at the Regional Office's request).
- C. **Determination to Reject.** If OMHAR rejects the Restructuring Plan, OMHAR will use Form 6.3 to notify the owner of the rejection, and describe the opportunity to appeal in accordance with Section 6-9.
- D. **HAP Contract.** If agreed with the Multifamily Hub or Program Center (and if the rents have not previously been reduced), OMHAR will provide the owner with a "potentially troubled" Section 8 HAP Contract reflecting the market rents. The HAP Contract will be effective at the expiration of the current HAP Contract. If appropriate, the paragraph in the Contract relating to continued eligibility should be deleted.
- E. **Completion of Processing.** After any appeals and administrative reviews are complete, OMHAR will direct the PAE to complete the processing in accordance with Section 6-10.

PAE Recommends a Determination of Ineligibility to OMHAR

SECTION 6-6

- A. **Determination of Ineligibility - Process.**
 - 1. Responsibility for Determinations of Ineligibility. The PAE is responsible for making an ongoing assessment of the eligibility of the owner and property throughout the restructuring. If at any time the PAE, in its own judgment, concludes that any material grounds for ineligibility exist, the PAE should write to the OMHAR Regional Office as soon as possible. (The PAE is encouraged to discuss such situations with OMHAR prior to making a formal recommendation.)

2. PAE Assessment of Ineligibility Issues. The various grounds for determinations of ineligibility are listed below. Only the item listed below in paragraph B. 1 requires a mandatory determination of ineligibility. The remaining issues, when identified and found material by the PAE should be considered by the PAE. The PAE, based on its own judgment, may either
 - a) recommend that OMHAR declare the owner and/or property ineligible, or
 - b) indicate that an eligibility issue exists and recommend an approach. The PAE may recommend that the transaction proceed with no special conditions, or the PAE may recommend special conditions or approaches.
3. OMHAR Review. The OMHAR Regional Office will review the PAE's recommendation. Prior to reaching a decision, the OMHAR Regional Office will consult with the PAE, the appropriate HUD Hub or Program Center, the applicable Property Disposition Office where appropriate. As appropriate, OMHAR may also discuss the recommendation with stakeholders and solicit their input and assistance in addressing the issue. Where a recommendation for ineligibility would affect more than one property, the OMHAR Regional Office will also consult with OMHAR HQ (Office of Underwriting and Finance), who will discuss the issue with the FHA Commissioner's Office prior to making a determination.
4. Determination of Ineligibility. Any OMHAR Regional Office determination of ineligibility must be reviewed and approved by the Regional Office Loan Committee (or a higher level Loan Committee at the Regional Office's request). If OMHAR upholds the PAE's recommendation, OMHAR will use Form 6.4 to notify the owner of the rejection and describe the opportunity to appeal in accordance with Section 6-9. If agreed with the Multifamily Hub or Program Center (and if the rents have not previously been reduced), OMHAR will provide the owner with a "potentially troubled" Section 8 HAP Contract reflecting the market rents. The HAP Contract will be effective at the expiration of the current HAP Contract. If appropriate, the paragraph in the Contract relating to continued eligibility should be deleted. Subject to completion of any appeal and administrative review, OMHAR will direct the PAE to complete processing in accordance with Section 6-10.
5. Determination of Eligibility. OMHAR will require the PAE to complete a Restructuring Plan and will provide guidance as necessary

- a) if OMHAR does not concur with the PAE's recommendation for a determination of ineligibility, or
- b) if OMHAR concurs with the PAE's determination that, while some grounds might exist, or appear to exist, for a determination of ineligibility, the transaction should proceed. In this case, OMHAR may provide some conditions under which the transaction may proceed or concur with conditions proposed by the PAE.

B. Grounds for a Determination of Ineligibility - Owners and Affiliates.

- 1. Suspension or debarment of the owner where the owner is unwilling to transfer the property, or suspension or debarment of a purchaser. This is the only grounds for a mandatory determination of ineligibility;
- 2. Suspension or debarment of an affiliate of the owner as defined in Section 516(a) of MAHRA;
- 3. With respect to the property being restructured, or with respect to other properties of the owner or purchaser that are federally assisted or financed with a loan from, or mortgage insured or guaranteed by, an agency of the Federal Government, the owner or purchaser of the property, or an affiliate of either, has engaged in material adverse financial or managerial actions or omissions (material adverse financial or managerial actions or omissions are defined in Section 516 of MAHRA);
- 4. The owner, purchaser, or an affiliate of either has any outstanding violations of Civil Rights laws in connection with any project of owner, purchaser or an affiliate of either. Outstanding violations of Civil Rights Laws are also considered material adverse financial or managerial actions whether associated with the property being restructured or with other properties of the owner or purchaser that are federally assisted or financed with a loan from, or mortgage insured or guaranteed by, an agency of the Federal Government. The PAE may become aware of such violations either through a flag received in running Social Security or Tax ID numbers through HUD's 2530 system, or it may be advised of such violations by the Hub or Program Center.

C. Grounds for a Determination of Ineligibility - Non-cooperation.

The owner is required to cooperate in the restructuring process. If the PAE concludes that the owner has failed to cooperate in the restructuring process, the PAE must provide the owner notice (with a record of receipt) of the problem and provide 10 business days to correct the

problem. The notice must indicate to the owner that failure to cooperate, after this notice and opportunity to cure, constitutes grounds for an ineligibility determination. Examples of non-cooperation include

1. failure at any point in processing to supply information needed to complete the restructuring process,
2. failure to respond in a timely manner to the PAE's proposed Restructuring Plan,
3. failure to address critical repair issues in a timely manner, and
4. failure to close in a timely manner an otherwise viable transaction after execution of a Restructuring Commitment.

D. Grounds for a Determination of Ineligibility - Property Condition.

If the PAE finds that the property is in such poor physical condition that it cannot be brought to a safe and decent condition in a cost effective manner through an acceptable Restructuring Plan, the PAE may recommend that OMHAR determine the property ineligible.

PAE Recommends to OMHAR that Development of a Restructuring Plan be Discontinued

SECTION 6-7

- A. PAE Recommendation To Discontinue Restructuring.** If the PAE concludes that a Restructuring Plan will not move forward (for reasons other than ineligibility, discussed in Section 6-6 above), the PAE will discuss this conclusion with the owner and provide OMHAR with an explanation and justification for this conclusion. (The PAE is encouraged to discuss such situations with OMHAR prior to making a formal recommendation.)

Examples where this action may be appropriate include a case where high exception rents are needed but the property is not sufficiently "preservation worthy" (the property is functionally obsolete to the point that it is unmarketable) or a case where a property is located in an area where the demand for the housing is so reduced that the property could not be made financially viable.

- B. OMHAR Review.** OMHAR will review the PAE's recommendation and may ask the PAE for further specific analysis and information. Prior to reaching a final conclusion, the OMHAR Regional Office will consult with the PAE, the applicable HUD Hub or Program Center, and the applicable Property Disposition Office, if appropriate, and may discuss the recommendation with any other stakeholders determined appropriate. The Regional Office's conclusion must be reviewed and approved by the

Regional Office Loan Committee (or a higher level Loan Committee at the Regional Office's request).

- C. **OMHAR Concurrence.** If an alternative cannot be identified that, in OMHAR's judgment, would permit the transaction to proceed to closing (and that is in compliance with the statute and goals of this program), the OMHAR Regional Office will use Form 6.5 to notify the owner of the determination and to describe the opportunity to appeal in accordance with Section 6-9. If agreed with the Hub or Program Center (and if the rents have not previously been reduced), OMHAR will provide the owner with a "potentially troubled" Section 8 HAP Contract reflecting the market rents. The HAP Contract will be effective at the expiration of the current HAP Contract. If appropriate, the paragraph in the Contract relating to continued eligibility should be deleted. OMHAR will direct the PAE to complete processing in accordance with Section 6-10.
- D. **OMHAR Non-concurrence.** If OMHAR does not concur with the PAE's recommendation, it will request the PAE to complete a Restructuring Plan and will provide guidance as necessary.

Meeting the Goals of M2M in Problem Situations

SECTION 6-8

OMHAR strongly supports the structuring of sound transactions even where the immediately available tools of the M2M program are inadequate alone to resolve a difficult issue. To assist in finding appropriate resolutions, we are implementing the following procedures.

- A. **Completion of Restructuring Plans.** A viable Restructuring Plan cannot be completed where a transaction is unable to proceed because of ineligibility or because it is determined that development of a Restructuring Plan should be discontinued. However, in these cases, the PAE should prepare *as complete a Restructuring Plan as possible*, identifying problem areas and briefly identifying what, if anything, would resolve the problem. This permits the owner, possible purchasers, and other stakeholders to identify issues and possible solutions more readily. This "currently non-viable" Restructuring Plan should be provided to the owner, submitted to OMHAR along with the PAE's recommendations under Section 6-6 and 6-7, and provided to stakeholders as part of the notification process under Section 6-12. (Note the restrictions on tenant and public access to documents listed in Appendix E.)

An example of when a "currently non-viable" Restructuring Plan should be developed: a property is in need of rehabilitation in an amount that

cannot be supported even by exception rents. An infusion of \$200,000 would solve the problem but the funds are not available.

- B. **Support of Transfers.** Where OMHAR agrees to consider restructuring conditioned on new ownership, OMHAR will post notice of the availability of the property for purchase on its Web site, and will otherwise attempt to facilitate a sale or transfer.
- C. **Waivers.** OMHAR has greatly expanded program flexibility in this Guide and will continue to consider requests for waivers where there is reasonable likelihood, in the PAE's opinion, that the waiver will result in a viable Restructuring Plan. In the event a waiver is requested to grant an extension to a HAP contract, OMHAR will consider such a waiver only if it is for a very limited period of time (ideally no more than one or two months) and only where specific supporting documentation is provided that shows that the extension will likely be adequate to produce a viable Restructuring Plan. (See Memorandum dated November 8, 2000 from the Multifamily DAS and OMHAR Director.)
- D. **Stakeholders.** "Stakeholders" may include local government, an HFA that is not the PAE, a public housing authority, interested purchasers, local or national non-profit groups, as well as tenants. OMHAR supports the involvement of any stakeholders that can contribute to the achievement of developing viable Restructuring Plans. Typically, a second tenant meeting should be held prior to the PAE recommending a Restructuring Plan be rejected or otherwise discontinued. OMHAR will continue to seek ways to enhance the stakeholders' contribution and encourages PAEs to support this process.
- E. **Consultations with Hub/Program Centers; Smooth Transitions.** Wherever a viable Restructuring Plan is unlikely, OMHAR will consult with the applicable Multifamily Hub or Program Center to assure that all available options and consequences have been considered in attempting to meet the program goal of maintaining affordable housing. Where no viable options appear under M2M, or through stakeholders, OMHAR will also alert the applicable HUD Property Disposition Office, with the Multifamily Hub or Program Center, if possible, to assure an orderly transition will occur where failure of the property seems likely. OMHAR will assure that the Multifamily Hub or Program Center and the Property Disposition Office, as appropriate, is provided with the "currently non-viable" Restructuring Plan to inform their decisions.

Appeals and Administrative Reviews

SECTION 6-9

- A. **Initial Owner Appeal.** The owner has 30 calendar days from receipt of the notice to appeal to the OMHAR Regional Office in the case of
1. an approved Restructuring Plan with which the owner does not agree, as evidenced by the owner's failure to execute the Restructuring Commitment,
 2. a rejection of a Restructuring Plan in accordance with Section 6-5,
 3. a determination not to proceed in accordance with Sections 6-6 (Ineligibility), or
 4. a determination not to proceed in accordance with Sections 6-7 (Discontinuance) above.
- B. **Written Appeal.** The owner's appeal must be in writing and must specifically address all points of disagreement (e.g., comparables used, adjustments made, findings made, etc.).
- C. **OMHAR Regional Office Review.** The OMHAR Regional Office has 30 calendar days from the receipt of the appeal to respond to the owner. The Regional Office may instruct the PAE to amend the Restructuring Plan, or the Regional Office may rescind its prior rejection or determination not to proceed or uphold its prior rejection or determination. The Regional Director will inform the owner of the Regional Office's Final Decision in writing using Form 6.6.
- D. **Request for Administrative Review of Final Decision.** Within 10 business days of receipt of the Regional Office's Final Decision, the owner may contest the Final Decision by requesting an Administrative Review by the Reviewing Official, OMHAR's Director of Underwriting and Finance (or an alternate designated by the Director of OMHAR). The owner may submit in person, in writing, or through a representative, its reasons for contesting the Final Decision. Where a conference is requested, OMHAR encourages the owner or the owner's representative to provide its reasons for the appeal of the decision in writing prior to the conference. Written submissions should address the specific points of disagreement.
- E. **The Administrative Review.** The OMHAR Regional Director or designee will participate in any conference and present the basis for the Final Decision. The Reviewing Official will issue a written decision within 20 business days of receipt of written material or of the date of any conference, whichever is later, rescinding, modifying or affirming the original Final Decision. The Reviewing Official will notify the owner using Form 6.7 with copies to the OMHAR Regional Office and PAE. The written decision resulting from the Administrative Review of Final Decision constitutes a final determination for the purposes of Section

516(c) of MAHRA and is not subject to judicial review.

Completion Procedures for Transactions That Do Not Close

SECTION 6-10

- A. **Applicability.** These procedures apply to all transactions, which do not close.
- B. **Timing.** The PAE will track the appeal and response periods for all transactions where the OMHAR Regional Office has rejected a Restructuring Plan, or has concurred with a recommendation of ineligibility or of a determination to discontinue or where an owner has refused to execute a viable Restructuring Plan. When all appeals and responses are complete, or the time for an appeal has passed without an appeal (as determined after discussion with the applicable OMHAR office), the PAE will follow the procedures below.
- C. **Completion of Processing.**
 - 1. The PAE will provide the Multifamily Hub or Program Center, and the Property Disposition Office, if appropriate, with the completed or “currently non-viable” Restructuring Plan including the market rent determination, a copy of the PAE’s submission to OMHAR, and any other relevant documents from the processing and appeal, including the PCA and the Appraisal, to assist Housing in their decision with regard to the asset.
 - 2. The PAE will complete the notifications in accordance with Section 6-12 below and provide copies of the completed or “currently non-viable” Restructuring Plan to the stakeholders.
 - 3. The PAE will complete the M2M MIS requirements for the transaction and its conclusion.
- D. **Conversion to Tenant-based Assistance.**
 - 1. Where OMHAR and the Hub or Program Center have agreed that the project should be converted to tenant-based assistance, the Hub or Program Center will contact the owner and arrange for an appropriate HAP Contract. (In all other cases, OMHAR will have prepared and sent a HAP contract to the owner.)
 - 2. In any circumstance involving a conversion to tenant-based assistance, any otherwise eligible low-income tenant that is receiving Section 8 assistance will be provided with tenant-based assistance, subject to the availability of appropriated funds and HUD’s policies and procedures.

Expiration of Section 8 Contracts

SECTION 6-11

- A. **Expiration of Section 8 Contract.** If the 12-month extension of the Section 8 Contract expires during processing or during the appeal process, **the rents must be reduced to market except in the case where an extension has been recommended by the PAE and approved** by OMHAR Headquarters (see Memorandum dated November 8, 2000 from the Multifamily DAS and the OMHAR Director).
- B. **Procedures.**
1. The PAE will notify the OMHAR Regional Office of the expiration date of the Section 8 HAP Contract, and any extensions thereto, and the market rents recommended if they have not already been approved.
 2. OMHAR should review and approve (or obtain adjustments to) the market rents, prepare a new Section 8 HAP Contract, and provide it to the PAE.
 3. The PAE should provide the HAP Contract to the owner using Form 6-8. This Form will inform the owner that execution of this extension would not affect any later appeals process and any subsequent new conclusion on market rents would be retroactive subject to the availability of funds.

Notification of Stakeholders

SECTION 6-12

- A. **Notification to Stakeholders if Owner Accepts Commitment.** Within ten (10) days after the owner has executed a Restructuring Commitment, the PAE must prepare a notice that describes the completed Restructuring Plan and Restructuring Commitment.
1. Recipients. The PAE will provide the notice to the parties listed in Section 3-9.
 2. Contents. The notice to tenants should follow Form 3.5; the notice to the Affected Unit of Local Government should follow Form 3.6.
- B. **Notification to Stakeholders in All Other Cases.** Where the owner does not execute the Restructuring Commitment, where OMHAR rejects a Restructuring Plan, or where a determination not to proceed is made

under Section 6-6 or 6-7, and approved by OMHAR, the PAE will complete the notification to stakeholders listed in Section 3-9 when any appeal is complete or when the time for making an appeal has passed without an appeal being made.

Business Forms

SECTION 6-13

- 6.1 OMHAR Regional Director to PAE Transmitting Executed Restructuring Commitment
- 6.2 PAE to Owner Transmitting Restructuring Plan and Commitment
- 6.3 OMHAR Regional Director to Owner Re: Rejection of Restructuring Plan
- 6.4 OMHAR Regional Director to Owner Re: Determination of Ineligibility
- 6.5 OMHAR Regional Director to Owner Re: Determination to Discontinue Restructuring
- 6.6 OMHAR Regional Director to Owner Re: Final Decision on Appeal
- 6.7 OMHAR HQ to Owner Re: Administrative Review Decision
- 6.8 PAE to Owner Transmitting HAP Contract
- 6.9 PAE to Owner Transmitting HAP Contract After Failure to Execute Restructuring Commitment